Vail Resorts, Inc. (MTN)

$220.29 (As of 09/01/20)

Price Target (6-12 Months): **$187.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 09/01/20) Prior Recommendation: Neutral	**Underperform**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**5-Strong Sell**
	Zacks Style Scores:	VGM:F
	Value: D | Growth: F	Momentum: F

Summary

Although, shares of Vail Resorts have outperformed the industry so far this year, the company's operations continue to be impacted by the pandemic. Owing to the uncertainty of the crisis, it has also withdrawn 2020 guidance. This along with high competition and weather-related woes remain potent headwinds. Moreover, the company might delay entry into new markets due to the ongoing crisis. It anticipates fourth-quarter fiscal 2020 results to be negatively impacted by the travel environment and dismal visitation to the company's resort properties. However, the company has been benefitting from increased focus on season pass program. Also, continuous efforts on digital marketing and media advertising, and reopening of Ski resorts are likely to boost traffic and sales in the days ahead.

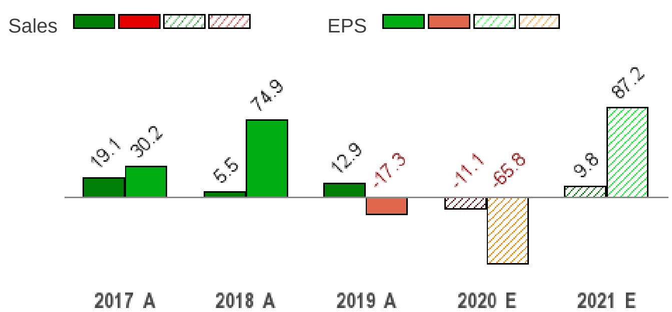
Price, Consensus & Surprise

Source: Zacks Investment Research

Data Overview

52-Week High-Low	**$255.37 - $129.52**
20-Day Average Volume (Shares)	**393,914**
Market Cap	**$8.9 B**
Year-To-Date Price Change	**-8.2%**
Beta	**1.24**
Dividend / Dividend Yield	**$0.00 / 0.0%**
Industry	**Leisure and Recreation Services**
Zacks Industry Rank	**Bottom 2% (245 out of 251)**
Last EPS Surprise	**40.1%**
Last Sales Surprise	**13.3%**
EPS F1 Estimate 4-Week Change	**-4.2%**
Expected Report Date	**09/24/2020**
Earnings ESP	**3.5%**
P/E TTM	**50.5**
P/E F1	**45.6**
PEG F1	**3.0**
P/S TTM	**4.2**

Sales and EPS Growth Rates (Y/Y %)



Sales Estimates (millions of $)

	Q1	Q2	Q3	Q4	Annual*
2021	227 E	860 E	930 E	230 E	2,217 E
2020	268 A	925 A	694 A	134 E	2,020 E
2019	220 A	850 A	958 A	244 A	2,272 A

EPS Estimates

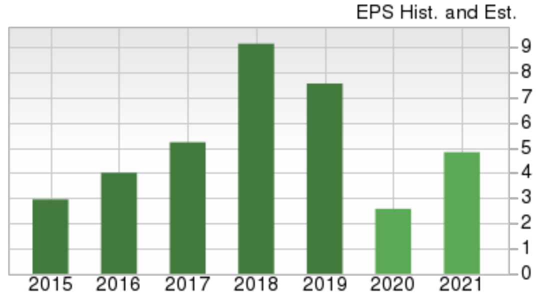
	Q1	Q2	Q3	Q4	Annual*
2021	-$3.37 E	$4.83 E	$6.79 E	-$2.95 E	$4.83 E
2020	-$2.23 A	$5.07 A	$3.74 A	-$3.55 E	$2.58 E
2019	-$2.43 A	$5.02 A	$7.12 A	-$2.22 A	$7.55 A

*Quarterly figures may not add up to annual.

The data in the charts and tables, including the Zacks Consensus EPS and Sales estimates, is as of 09/01/2020. The reports text is as of 09/02/2020.

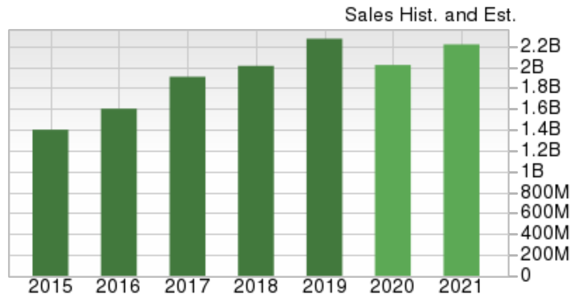
Overview

Vail Resorts, Inc. is a Delaware-based holding company found in 1997. Its operations are carried out by several subsidiaries and are clustered into two segments namely Mountain and Lodging.



The Mountain segment (91.6% of net revenues for third-quarter fiscal 2020) operates mountain resort properties and urban ski areas as well as ancillary services like ski school, dining and retail/rental operations.

The Lodging segment (8.4%) owns and manages luxury hotels under the RockResorts brand and condominiums around mountain resorts. The segment also operates concessionaire properties like the Grand Teton Lodge Company and mountain resort golf courses.



The Real Estate segment (0.07%) owns, develops, and sells real estate in and around the company's resort communities.

Vail Resorts generates revenues from two segments — Resort (accounting for 99.9% of net revenues in third-quarter fiscal 2020) and Real Estate (0.1%). Under the Resort segment, the company has Mountain and Lodging services, and other (constituting 84% of net revenues in the fiscal third quarter), and Mountain and Lodging retail and dining (16%).

As of Jun 4, 2020, the company's Mountain segment operated 37 world-class mountain resort properties.

The company has a notable presence in Park City in Utah. It also operates resorts in the Heavenly, Northstar and Kirkwood in the Lake Tahoe area of California and Nevada.

Source: Zacks Investment Research

Reasons To Sell:

Coronavirus woes, risks from mergers, competition and weather-related woes continue to hurt Vail Resorts.

- **Guidance Pulled in Response to Coronavirus Uncertainty:** As a result of coronavirus' uncertain impact on the broader U.S. travel market, particularly on Vail Resorts' operations, management has withdrawn its fiscal 2020 guidance. It anticipates fourth-quarter fiscal 2020 results to be negatively impacted by the travel environment and dismal visitation to the company's resort properties.

- **Dismal Q3 Results:** The company's results in the quarter were negatively impacted the coronavirus pandemic. In third-quarter fiscal 2020, both top and bottom lines declined 27.5% and 47.5% year over year, respectively. Moreover, the company might delay entry into new markets due to the pandemic.

- **Competition Ails:** The ski resort and lodging industries are highly competitive. There are roughly 470 ski areas in the United States that serve local, and destination guests. Resultantly, Vail Resorts face intense competition from other ski providers. Coming to the lodging industry, it is already known how an oversupply of hotels in the United States has given rise to a stiff competitive environment. Subsequently, the company faces heightened competition in its lodging business segment.

- **Overvalued Compared With Peers:** Since the leisure service providers are debt-laden, it makes sense to value them based on th e EV/EBITDA (Enterprise Value/ Earnings before Interest Tax Depreciation and Amortization) ratio. This is because the valuation metric takes into account not just its equity but also the level of debt on a company's balance sheet. For capital-intensive companies, the EV/EBITDA is a better valuation metric because it is unaffected by the changing capital structures and ignores effects of non-cash expenses on a company's value. The trailing 12-month EV/EBITDA ratio of Vail Resorts is 21.11, which is overvalued compared with the industry's 16.76 and the S&P 500's 12.59.

- **Weather-Related Woes:** Vail Resorts' business is highly dependent on weather conditions. Particularly, the ski business directly depends on the amount and timing of snowfall. Unfavorable weather conditions can adversely affect skiers' visits and in turn hurt the company's revenues and profits. Unseasonably warm weather may also result in inadequate natural snowfall and reduce skiable terrain, which increases costs of snowmaking.

Risks

- **Robust Season Pass Program:** Vail Resorts has a season pass program under which the company offers a variety of season pass products for all the mountain resorts and urban ski areas in both domestic, and international markets. Increased demand for skiing has led the company to witness higher season pass sales lately. Notably, pass revenues increased 17.2% in second-quarter fiscal 2020, mainly attributable to increased pass product sales for the 2019/2020 North American ski season. It introduced Epic Day Pass (EDP) in 2019, which exceeded management's expectations, with the vast majority of sales coming from new pass holders and in destination markets.

  During the fiscal third quarter, the company initiated the launch of Epic Coverage to protect the interests of season pass holders. Replacing the need to purchase pass insurance, Epic Coverage offers refunds in the unlikely event of certain resort closures (due to COVID-19 outbreak) along with eligible injuries, job losses and other personal events. Notably, the company is offering it for free to all North American pass holders.

  Moreover, the company is providing credits for 2019/20 North American pass holders to apply pass for 2020/21 season. The pass holders will be entitled to a minimum credit of 20% and a maximum credit of 80% toward next season's pass. The credits will be available for pass holders who purchase 2020/21 pass products by Sep 7, 2020. The company is also offering credits for Epic day pass, Edge Card and other frequency-based products that have unused days remaining. Owing to this, the company is delaying the recognition of approximately $121 million of deferred pass revenues as well as $3 million in related deferred costs, which are now likely to get realized in the second and third quarter of fiscal 2021. Depending on final usage of such credits, this shift in recognition will partially or fully offset the negative impact of the credits being offered to pass holders toward the purchase of 2020/21 North American pass products.

- **Marketing Efforts Drive Guest Loyalty:** Robust growth in the season pass sales reflects Vail Resorts' efficient guest focused marketing efforts. The company orients its strategy with data analytics to drive targeted and personalized marketing toward guests. Guest data is captured through season pass programs; e-commerce platforms, including mobile lift ticket sales; the EpicMix application and operational processes at the lift ticket windows. Additionally, Vail Resorts involves in digital marketing, and media advertising to drive traffic and sales. The company's recently introduced EDP also expanded its guest traffic.

  Meanwhile, the company has spent more than $1.2 billion over the last decade to drive guest loyalty. The company has also made significant investments in Colorado for its snowmaking systems at Vail, Beaver Creek and Keystone. Additionally, Vail Resorts has completed its full renovation of the Beaver Creek Children's Ski School facilities and the Peak eight base area at Breckenridge, with new ski school and childcare facilities. It has also completed one of its final stage of modernization project and has invested in technology to program its data-driven marketing efforts. Notably, its ability to leverage guest data, targeted digital marketing efforts, broad product offering (including the introduction of Epic Mountain Rewards) along with associated discounts is likely to benefit the company.

- **Geographic Diversification to Counter Weather-Related Woes:** Vail Resorts have widespread geographical boundaries. Apart from operations in the United States, the company has expanse in North America, Japan and Europe. By widely diversifying its geographical locations, Vail Resorts aims to cushion the business from weather inconsistencies. The company has also announced that it will expand 250-acre lift-served terrain in the signature McCoy Park area of Beaver Creek. It also intends to increase the seating capacity at the Rendezvous Lodge restaurant on Blackcomb Mountain, which will add 250 seats further enhancing the experience at North America's largest resort.

- **Re-openings to Drive Top Line:** With increased focus on safety protocols, management intends to be operational for the North American Summer and Australian Ski season in late June or early July. Notably, it plans to open Perisher, Falls Creek and Hotham in Australia for skiing and snowboarding on Jun 24. However, it is subject to approval by the New South Wales and Victoria governments.

- **Enough Liquidity to Tide Over Coronavirus Crisis:** Vail Resorts has enough liquidity to withstand the coronavirus pandemic for some time. As of May 31, 2020, the company had $465 million of cash on hand, $419 million of U.S. revolver availability under the Vail Holdings Credit Agreement and $168 million of revolver availability under the Whistler Credit Agreement. Although Vail Resorts' long-term debt at the end of the fiscal third quarter stood at $2.4 billion, the company stated that it has sufficient liquidity to fund operations for up to two years, even in case of a prolonged lockdown scenario. At the end of the third quarter, the company had a debt-to-capital ratio of 0.6, which indicates manageable debt levels.

Last Earnings Report

Vail Resorts Q3 Earnings Beat Estimates, Fall Y/Y

Quarter Ending	04/2020
Report Date	Jun 04, 2020
Sales Surprise	13.25%
EPS Surprise	40.07%
Quarterly EPS	3.74
Annual EPS (TTM)	4.36

Vail Resorts, reported third-quarter fiscal 2020 results, wherein both the top and the bottom line beat the Zacks Consensus Estimate.

In the quarter under review, the company reported earnings of $3.74 per share that beat the Zacks Consensus Estimate of $2.67. However, the metric declined 47.5% from year-ago earnings of $7.12.

Quarterly revenues came in at $694.1 million, beating the consensus mark of $613 million. However, the metric fell 27.5% on a year-over-year basis. The downside can be attributed to dismal performance by the Mountain segment and Lodging segments.

Segment Results

Vail Resorts generates revenues from two segments — Resort (99.9% to net revenues in third-quarter fiscal 2020) and Real Estate (0.1%). Under the Resort segment, the company has Mountain and Lodging services, and other (contributing 84% to net revenues in fiscal third quarter) as well as Mountain and Lodging retail and dining (16%).

Meanwhile, Vail Resorts has two reporting segments — Mountain and Lodging.

The Mountain segment reported revenues of $635.3 million in the quarter under review, down 27.6% year over year due to lower visitation associated with the closure of its North American destination mountain resorts and regional ski areas because of the COVID-19 outbreak, partially offset by incremental revenues from Peak Resorts, Inc.

The segment's EBITDA amounted to $301.4 million, down 35.6% from $468.1 million in the prior-year quarter. However, operating expenses at the Mountain segment totaled $333.8 million, down 18.6% year over year.

Lodging net revenues in the reported quarter were $58.4 million, down 26.9% year over year primarily due to the closure of North American lodging properties as a result of the pandemic. Under the segment, EBITDA declined 76.8% to $2.9 million from the prior-year quarter.

However, operating expenses at the Lodging segment contracted 17.5% year over year to $55.5 million.

Operating Results

Vail Resorts reported EBITDA of $304.4 million in the quarter under review compared with $480.7 million in the prior-year quarter. The decline of $176.4 million (36.7%) includes impacts from the deferral of $113 million of pass product revenues and related deferred costs to fiscal 2021 for credits offered to 2019/2020 North American pass product holders; $1.4 million of acquisition and integration-related expenses; approximately $1 million due to unfavorable currency translation related to operations at Whistler Blackcomb and its Australian ski areas.

Resort operating expenses totaled $389.2 million, down 18.5% year over year. Total segmental operating expenses also fell 18.5% year over year to $390.4 million.

Balance Sheet

Cash and cash equivalents as of Apr 30, 2020, totaled $482.7million, up from $59.6 million in the year-ago period.

Net long-term debt amounted to $2,365.4 million at the end of the quarter, up from $1,310.9 million at the end of the prior-year quarter.

As of May 31, 2020, the company had total cash and revolver availability of approximately $1.1 billion. This includes $465 million of cash in hand, $419 million of U.S. revolver availability under the Vail Holdings Credit Agreement and $168 million of revolver availability under the Whistler Credit Agreement.

In April, the company announced plans to boost its liquidity by reducing its capital expenditures for 2020 by approximately $80-$85 million. The company also suspended cash dividends to shareholders for a minimum of two quarters, leading to an additional $142 million of liquidity. Nonetheless, the company stated that it has sufficient liquidity to fund its operations for up to two years, even if resort shutdowns are extended.

Fiscal 2020 Guidance

Although the company expects fourth quarter or fiscal 2020 results to be negatively impacted by lower visitation to its resort properties, it will not be issuing any guidance for the same.

Valuation

Vail Resorts shares are down 8.1% in the year-to-date period and 7.1% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Consumer Discretionary sector are down 40.6% and 4.9% in the year-to-date period, respectively. Over the past year, the Zacks sub-industry was down by 33.5%, while sector was up by 10.8%.

The S&P 500 index is up by 3.7% in the year-to-date period and 15.3% in the past year.

The stock is currently trading at 3.93X forward 12-month sales, which compares to 1.81X for the Zacks sub-industry, 2.81X for the Zacks sector and 3.95X for the S&P 500 index.

Over the past five years, the stock has traded as high as 5.69X and as low as 2.22X, with a 5-year median of 3.7X. Our Underperform recommendation indicates that the stock will perform worse-than the market. Our $187 price target reflects 3.33X forward 12-month sales.

The table below shows summary valuation data for MTN.

Valuation Multiples - MTN

		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	3.93	1.81	2.51	3.95
	5-Year High	5.69	2.15	2.95	3.95
	5-Year Low	2.22	0.69	1.68	2.53
	5-Year Median	3.7	1.68	2.5	3.07
P/B TTM	Current	5.44	1.14	3.44	4.53
	5-Year High	7.34	1.7	4.83	4.76
	5-Year Low	3.22	0.42	2.22	2.83
	5-Year Median	5.15	1.37	4.2	3.76
EV/EBITDA TTM	Current	21.11	16.76	11.45	12.59
	5-Year High	29.76	17.02	17.83	13.29
	5-Year Low	10.29	4.62	8.3	8.22
	5-Year Median	16.92	8.82	12.22	10.91

As of 09/01/2020

Industry Analysis **Zacks Industry Rank:** Bottom 2% (245 out of 251)

Source: Zacks Investment Research

Top Peers

Company (Ticker)	Rec	Rank
Camping World Holdings Inc. **(CWH)**	Outperform	3
Las Vegas Sands Corp. **(LVS)**	Neutral	4
MGM Resorts International **(MGM)**	Neutral	3
Extended Stay America, Inc. **(STAY)**	Neutral	3
Wynn Resorts, Limited **(WYNN)**	Neutral	4
Choice Hotels International, Inc. **(CHH)**	Underperform	4
Cedar Fair, L.P. **(FUN)**	Underperform	5
Six Flags Entertainment Corporation New **(SIX)**	Underperform	4

The positions listed should not be deemed a recommendation to buy, hold or sell.

Industry Comparison Industry: Leisure And Recreation Services

	MTN	X Industry	S&P 500	LVS	MGM	WYNN
				Industry Peers		
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	5	-	-	4	3	4
VGM Score	F	-	-	D	F	F
Market Cap	8.87 B	740.46 M	23.95 B	37.92 B	11.23 B	9.31 B
# of Analysts	6	4	14	5	1	6
Dividend Yield	0.00%	0.00%	1.61%	0.00%	0.04%	0.00%
Value Score	D	-	-	D	B	D
Cash/Price	0.05	0.21	0.07	0.08	0.41	0.38
EV/EBITDA	15.72	7.41	13.32	8.73	3.52	11.56
PEG F1	3.04	2.19	3.05	NA	NA	NA
P/B	5.44	1.21	3.21	8.38	0.91	33.94
P/CF	16.81	5.82	12.92	10.15	6.78	9.92
P/E F1	45.61	38.95	21.84	NA	NA	NA
P/S TTM	4.16	1.15	2.52	4.39	1.24	2.14
Earnings Yield	2.19%	-16.66%	4.39%	-2.98%	-8.21%	-15.54%
Debt/Equity	1.58	0.71	0.70	3.04	0.92	45.50
Cash Flow ($/share)	13.11	2.40	6.93	4.89	3.36	8.69
Growth Score	F	-	-	F	F	F
Historical EPS Growth (3-5 Years)	19.20%	11.19%	10.41%	-3.87%	-5.41%	10.13%
Projected EPS Growth (F1/F0)	87.19%	-278.27%	-4.75%	-145.46%	-148.20%	-613.60%
Current Cash Flow Growth	13.43%	4.33%	5.22%	-0.77%	-1.74%	-27.48%
Historical Cash Flow Growth (3-5 Years)	25.66%	10.16%	8.49%	-1.30%	9.93%	-3.64%
Current Ratio	1.35	1.04	1.35	1.59	2.47	2.27
Debt/Capital	61.23%	60.99%	42.92%	75.26%	48.00%	97.85%
Net Margin	7.65%	-8.95%	10.25%	3.95%	21.28%	-25.71%
Return on Equity	11.08%	-4.76%	14.66%	7.46%	-6.64%	-96.61%
Sales/Assets	0.43	0.40	0.50	0.39	0.26	0.31
Projected Sales Growth (F1/F0)	9.77%	-38.37%	-1.40%	-64.31%	-54.77%	-57.37%
Momentum Score	F	-	-	A	F	B
Daily Price Change	1.20%	0.00%	0.29%	-2.09%	1.20%	-1.34%
1-Week Price Change	3.75%	7.42%	2.59%	7.50%	12.76%	10.58%
4-Week Price Change	13.15%	7.96%	3.53%	13.54%	36.18%	18.60%
12-Week Price Change	16.82%	-5.30%	2.09%	-7.47%	3.22%	-16.04%
52-Week Price Change	-7.12%	-38.66%	4.31%	-8.53%	-15.95%	-18.09%
20-Day Average Volume (Shares)	393,914	251,247	1,816,754	6,224,160	20,271,722	4,662,961
EPS F1 Estimate 1-Week Change	-4.22%	0.00%	0.00%	0.00%	0.00%	0.00%
EPS F1 Estimate 4-Week Change	-4.22%	-9.86%	0.20%	0.27%	-3.06%	-13.43%
EPS F1 Estimate 12-Week Change	-9.71%	-51.54%	3.86%	-313.97%	-9.93%	-14.90%
EPS Q1 Estimate Monthly Change	-0.24%	-7.94%	0.00%	0.00%	-1.20%	-36.10%

Source: Zacks Investment Research

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	F
Momentum Score	F
VGM Score	F

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock.The EPS and revenue forecasts are the Zacks Consensus estimates, unless indicated otherwise on the reports first page. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment.This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time.ZIR is not a broker-dealer.ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients.Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.

Additional Disclosure

This material represents an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Any statements that refer to expectations, projections or characterizations of future events or circumstances, including any underlying assumptions, are forwardlooking statements. Actual results, performance, or achievements may differ materially from those expressed or implied.

Returns quoted represent past performance which is no guarantee of future results. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than their original cost. Current performance may be higher or lower than the performance shown.

Investing involves risk; principal loss is possible. There is no guarantee that companies that can issue dividends will declare, continue to pay or increase dividends.

Glossary of Terms and Definitions

52-Week High-Low: The range of the highest and lowest prices at which a stock has traded during the past year. This range is determined based on the stock's daily closing price which may differ from the intra-day high or low. Many investors use it as a technical indicator to determine a stock's current value and future price movement. The idea here is that if price breaks out from the 52-week range, in either direction, the momentum may continue in the same direction.

20-Day Average Volume (Shares): The average number of shares of a company traded in a day over the last 20 days. It is a direct indication of a security's overall liquidity. The higher the average daily trading volume, the easier it is to enter or exit the stock at a desired price with more buyers and sellers being available.

Daily Price Change: This is the percentage difference between a trading day's closing price and the prior trading day's closing price. This item is updated at 9 p.m. EST each day.

1-Week Price Change: This is the percentage change in a stock's closing price over the last 5 trading days. This change reflects the collective buying and selling sentiment over the 1-week period.

A strong weekly price increase for the stock, especially when accompanied by increased volume, is an indication of it gaining momentum.

4-Week Price Change: This is the percentage change in a stock's closing price over the last 20 trading days or past 4 weeks. This is a mediumterm price change metric and an indication of the stock gaining momentum.

12-Week Price Change: This is the percentage change of a stock's closing price over the last 60 trading days or past 12 weeks. Similar to 4-week price change, this is a medium-term price change metric. It shows whether a stock has been enjoying strong investor demand, or if it has been in consolidation, or distress over this period.

52-Week Price Change: This is the percentage change in a stock’s closing price over the last 260 trading days or past 52 weeks. This long-term price change metric is a good reference point for investors. Some investors seek stocks with the best percentage price change over the last 52 weeks, expecting the momentum to continue.

Market Cap: The number of outstanding common shares of a company times its latest price per share. This figure represents a company's size, which indicates various characteristics, including price stability and risk, in which investors could be interested.

Year-To-Date Price Change: Change in a stock's daily closing price in the period of time beginning the first day of the current calendar year through to the previous trading day.

# of Analysts: Number of EPS estimates used in calculating the current-quarter consensus. These estimates come from the brokerage analysts tracking this stock. However, the number of such analysts tracking this stock may not match the number of estimates, as all brokerage analysts may not come up with an estimate or provide it to us.

Beta: A measure of risk commonly used to compare the volatility of a stock to the overall market. The S&P 500 Index is the base for calculating beta and carries a value of 1. A stock with beta below 1 is less risky than the market as a whole. And a stock with beta above 1 is riskier.

Dividend: The portion of earnings a company is expected to distribute to its common shareholders in the next 12 months for each share they own. Dividends are usually paid quarterly. Dividend payments reflect positively on a company and help maintain investors' trust. Investors typically find dividend-paying stocks appealing because the dividend adds to any market price appreciation to result in higher return on investment (ROI). Moreover, a steady or increasing dividend payment provides investors a cushion in a down market.

Dividend Yield: The ratio of a company's annual dividend to its share price. The annual dividend used in the ratio is calculated based on the mostrecent dividend paid by the company. Dividend yield is an estimate of the dividend-only return from a stock in the next 12 months. Since dividend itself doesn’t change frequently, dividend yield usually changes with a stock’s price movement. As a result, often an unusually high dividend yield is a result of weak stock price.

S&P 500 Index: The Standard & Poor's 500 (S&P 500) Index is an unmanaged group of securities considered to be representative of the stock market in general. It is a market-capitalization-weighted index of stocks of the 500 largest U.S. companies. Each stock’s weight in the index is proportionate to its market value.

Industry: One of the 250+ groups that Zacks classifies all stocks into based on the nature of business. These groups are termed as expanded (aka "X") industries and map to their respective (economic) sectors; Zacks has 16 sectors.

Zacks Industry Rank: The Zacks Industry Rank is determined by calculating the average Zacks Rank for all stocks in the industry and then assigning an ordinal rank to it. For example, an industry with an average Zacks Rank of 1.6 is better than an industry with an average Zacks Rank of 2.3. So, the industry with the better average Zacks Rank would get a better Zacks Industry Rank. If an industry has the best average Zacks Rank, it would be considered the top industry (1 out of 250+), which would place it at the top 1% of Zacks-ranked industries. Studies have shown that roughly half of a stock's price movement can be attributed to the industry group it belongs to. In fact, the top 50% of Zacks-ranked industries outperforms the bottom 50% by a factor of more than 2 to 1.

Last EPS Surprise: The percentage deviation of a company's last reported earnings per share from the Zacks Consensus Estimate. Companies with a positive earnings surprise are more likely to surprise again in the future (or miss again if they recently missed).

Last Sales Surprise: The percentage deviation of a company's last reported sales from the Zacks Consensus Estimate.

Expected Report Date: This is an estimated date of a company's next earnings release. The information originated or gathered by Zacks Investment Research from its information providers or publicly available sources is the basis of this estimate.

Earnings ESP: The Zacks Earnings ESP compares the Most Accurate Estimate to the Zacks Consensus Estimate for the yet-to-be reported quarter. The Most Accurate Estimate is the most recent version of the Zacks Consensus EPS Estimate. The idea here is that analysts revising their estimates closer to an earnings release have the latest information, which could potentially be more accurate than what they and others contributing to the consensus had predicted earlier. Thus, a positive or negative Earnings ESP reading theoretically indicates the likely deviation of the actual earnings from the consensus estimate. However, the model's predictive power is significant for positive ESP readings only. A positive Earnings ESP is a strong predictor of an earnings beat, particularly when combined with a Zacks Rank #1 (Strong Buy), #2 (Buy) or #3 (Hold). Our research shows that stocks with this combination produce a positive surprise nearly 70% of the time.

Periods:

TTM: Trailing 12 months. Using TTM figures is an effective way of analyzing the most-recent financial data in an annualized format that helps neutralize the effects of seasonality and other quarter-to-quarter variation.

F1: Current fiscal year. This period is used to analyze the estimates for the ongoing full fiscal year.

F2: Next fiscal year. This period is used to analyze the estimates for the next full fiscal year.

F12M: Forward 12 months. Using F12M figures is an effective way of analyzing the near-term (the following four unreported quarters) estimates in an annualized manner. Instead of typically representing estimates for the full fiscal year, which may not represent the nitty-gritty of each quarter, F12M figures suggest an all-inclusive annualized estimate for the following four quarters. The annualization helps neutralize the potential effects of seasonality and other quarter-to-quarter variations.

P/E Ratio: The price-to-earnings ratio measures a company's current market price per share relative to its earnings per share (EPS). Usually, the trailing-12-month (TTM) EPS, current-fiscal-year (F1) EPS estimate, or forward-12-month (F12M) EPS estimate is used as the denominator. In essence, this ratio shows what the market is willing to pay today for each dollar of EPS. In other words, this ratio gives a sense of what the relative value of the company is at the already reported level of earnings or at a future level of earnings.

It is one of the most widely-used multiples for determining the value of a company and helps comparing its valuation with that of a competitor, the industry group or a benchmark.

PEG Ratio: The price/earnings to growth ratio is a stock's P/E ratio using current fiscal year (F1) EPS estimate divided by its expected EPS growth rate over the coming 3 to 5 years. This ratio essentially determines a stock's value by factoring in the company's expected earnings growth and is thus believed to provide a more complete picture than just the P/E ratio, particularly for faster-growing companies.

P/S Ratio: The price-to-sales ratio is calculated as a company's current price per share divided by trailing 12 months (TTM) sales or revenues per share. This ratio shows what the market is willing to pay today for each dollar of TTM sales per share. The P/S ratio is at times the only valuation metric when the company has yet to become profitable.

Cash/Price Ratio: The cash-to-price ratio or Cash Yield is calculated as cash and marketable securities per share divided by the company's current share price. Like the earnings yield, which shows the anticipated yield (or return) on a stock from earnings for each dollar invested, the cash yield does the same, with cash being the source of return instead of earnings. For example, a cash/price ratio of 0.08 suggests a return of 8% or 8 cents for every $1 investment.

EV/EBITDA Ratio: The EV/EBITDA ratio, also known as Enterprise Multiple, is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by EBITDA (earnings before interest, taxes, depreciation and amortization). Usually, trailing-12-month (TTM) or forward-12-month (F12M) EBITDA is used as the denominator.

EV/Sales Ratio: The enterprise value-to-sales ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by annual sales. It is an expansion of the P/S valuation, which uses market value instead of enterprise value. The EV/Sales ratio is perceived as more accurate than P/S, in part, because the market capitalization does not take a company's debt into account when valuing it.

EV/CF Ratio: The enterprise value-to-cash flow ratio is calculated as a company's enterprise value (market capitalization + value of total long-term debt + book value of preferred shares - cash and marketable securities) divided by the trailing-12-month (TTM) operating cash flow. It's a measure of how long it would take to buy the entire business if you were able to use all the company's operating cash flow.

The EV/CF ratio is perceived as more accurate than the P/CF ratio, in part, because the market price does not take a company's debt into account when valuing it.

EV/FCF Ratio: The enterprise value-to-free cash flow metric compares a company's enterprise value to its trailing-12-month (TTM) free cash flow (FCF). This metric is very similar to the EV/CF ratio, but is considered a more exact measure owing to the fact that it uses free cash flow, which subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding growth activities and payments to shareholders.

P/EBITDA Ratio: The P/EBITDA ratio is calculated as a company's per share market value divided by EBITDA (earnings before interest, taxes, depreciation, and amortization). This metric is very similar to the EV/EBITDA ratio, but is considered a little less exact measure as it uses market price, which does not take a company's debt into account. However, since EBITDA is often considered a proxy for cash income, the metric is used as a measure of what the market is willing to pay today for each dollar of the company's cash profitability in the trailing 12 months (TTM) or forward 12 months (F12M).

P/B Ratio: The price-to-book ratio is calculated as a company's current price per share divided by its book value (total assets – liabilities – preferred stocks) per share. In short, the book value is how much a company is worth. In other words, it reflects the total value of a company's assets that its common shareholders would receive if it were to be liquidated. So, the P/B ratio indicates whether you're paying higher or lower than what would remain if the company went bankrupt immediately. Investors typically use this metric to determine how a company's stock price stacks up to its intrinsic value.

P/TB Ratio: The price-to-tangible-book value ratio is calculated as a the per share market value of a company divided by the value of its tangible assets (total assets – liabilities – preferred stocks – intangible assets) per share. Tangible book value is the same thing as book value except it excludes the value of intangible assets to get a step closer to the baseline value of the company.

P/CF Ratio: The price-to-cash flow ratio measures a company's per share market price relative to its trailing-12-month (TTM) operating cash flow per share. This metric is used to determine whether a company is undervalued or overvalued relative to another stock, industry or sector. And like the P/E ratio, a lower number is typically considered better from the value perspective.

One of the reasons why P/CF ratio is often preferred over P/E ratio is the fact that operating cash flow adds back non-cash expenses such as depreciation and amortization to net income. This feature helps valuing stocks that have positive cash flow but are not profitable because of large noncash charges.

P/FCF Ratio: The price-to-free cash flow ratio is an extension of P/CF ratio, which uses trailing-12-month (TTM) free cash flow per share instead of operating cash flow per share. This metric is considered a more exact measure than P/CF ratio, as free cash flow subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available for funding activities that generate additional revenues.

Earnings Yield: The earnings yield is calculated as current fiscal year (F1) EPS estimate divided by the company's current share price. The ratio, which is the inverse of the P/E ratio, measures the anticipated yield (or return) from earnings for each dollar invested in a stock today.

For example, earnings yield for a stock, which is trading at $35 and expected to earn $3 per share in the current fiscal year (F1), would be 0.0857 (3/35 = 0.0857) or 8.57%. In other words, for $1 invested in the stock today, the yield from earnings is anticipated to be 8.57 cents.

Investors most commonly compare the earnings yield of a stock to that of a broad market index (such as the S&P 500) and prevailing interest rates, such as the current 10-year Treasury yield. Since bonds and stocks compete for investors' dollars, stock investors typically demand a higher yield for the extra risk they assume compared to investors of U.S. Treasury-backed securities that offer virtually risk-free returns. This additional return is referred to as the risk premium.

Debt/Equity Ratio: The debt-to-equity ratio is calculated as a company's total liabilities divided by its shareholder equity. This metric is used to gauge a company's financial leverage. In other words, it is a measure of the degree to which a company is financing its operations through debt versus its own funds. The higher the ratio, the higher the risk for shareholders.

However, this ratio is difficult to compare across industry groups where ideal amounts of debt vary. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-equity ratio should be compared with other companies in the same industry.

Cash Flow ($/share): Cash flow per share is calculated as operating cash flow (after-tax earnings + depreciation + other non-cash charges) divided by common shares outstanding. It is used by many investors as a measure of a company's financial strength. Since cash flow per share takes into consideration a company's ability to generate cash by adding back non-cash expenses, it is regarded by some as a more accurate measure of a company's financial situation than earnings per share, which could be artificially deflated.

Current Ratio: The current ratio or liquidity ratio is a company's current assets divided by its current liabilities. It measures a company's ability to pay short-term obligations. A current ratio that is in line with the industry average or slightly higher is generally considered acceptable. A current ratio that is lower than the industry average would indicate a higher risk of distress or default. A higher number is usually better. However, a very high current ratio compared to the industry average could be an indication of inefficient use of assets by management.

Debt/Capital Ratio: Debt-to-capital ratio is a company's total debt (interest-bearing debt + both short- and long-term liabilities) divided its total capital (interest-bearing debt + shareholders' equity). It is a measure of a company's financial leverage. All else being equal, the higher the debt-to-capital ratio, the riskier the stock.

However, this ratio can vary widely from industry to industry, the ideal amount of required debt being different. Some businesses are more capital intensive than others and typically require higher debt to finance their operations. So, a company's debt-to-capital ratio should be compared with the same for its industry.

Net Margin: Net margin is calculated as net income divided by sales. It shows how much of each dollar in sales generated by a company translates into profit. For example, if a company's net margin is 15%, its net income is 15 cents for every $1 of sales it makes.

A change in margin can reflect either a change in business conditions, or a company's cost controls, or both. If a company's expenses are growing faster than sales, its net margin will decline. However, different net margin rates are considered good for different industries, so it's better to compare net margin rates of companies in the same industry group.

Return on Equity: Return on equity (ROE) is calculated as trailing-12-month net income divided by trailing-12-month average shareholder equity (including reinvested earnings). This metric is considered a measure of how effectively management is using a company's assets to generate profits. For example, if a company's ROE is 10%, it creates 10 cents profits for every $1 shareholder equity, which is basically the company's assets minus debt. A company's ROE deemed good or bad depends on what's normal for its peers or industry group.

Sales/Assets Ratio: The sales-to-assets ratio or asset utilization ratio or asset turnover ratio is calculated as a company's annual sales divided by average assets (average of assets at the beginning of the year and at the year's end). This metric helps investors understand how effectively a company is using its assets to generate sales. For example, a sales-to-assets ratio of 2.5 indicates that the company generated $2.50 in sales for every $1 of assets on its books.

The higher the sales-to-assets ratio, the better the company is performing. However, similar to many other ratios, the asset turnover ratio tends to be higher for companies in certain industries/sectors than in others. So, a company's sales-to-assets ratio should be compared with the same for its industry/sector.

Historical EPS Growth (3-5 Years): This is the average annual (trailing-12-month) EPS growth rate over the last 3-5 years. This metric helps investors see how a company's EPS has grown from a long-term perspective.

Note: There are many factors that can influence short-term numbers — a recession will reduce this number, while a recovery will inflate it. The longterm perspective helps smooth out short-term events.

Projected EPS Growth (F1/F0): This is the estimated EPS growth rate for the current financial year. It is calculated as the consensus estimate for the current fiscal year (F1) divided by the reported EPS for the last completed fiscal year (F0).

Current Cash Flow Growth: It measures the latest year-over-year change in operating cash flow. Cash flow growth tells an investor how quickly a company is generating inflows of cash from operations. A positive change in the cash flow is desired and shows that more 'cash' is coming in than going out.

Historical Cash Flow Growth (3-5 Years): This is the annualized change in cash flow over the last 3-5 years. The change in a longer period helps put the current reading into proper perspective. By looking at the rate, rather than the actual dollar value, the comparison across the industry and peers becomes easier.

Projected Sales Growth (F1/F0): This metric looks at the estimated sales growth for the current year. It is calculated as sales estimate for the current fiscal year (F1) divided by the reported sales for the last completed fiscal year (F0).

Like EPS growth, a higher rate is better for sales growth. A look at a company's projected sales growth instantly tells you what the outlook is for their products and services. However, different sales growth rates are considered good for different industries, so it's better to compare sales growth rates of companies in the same industry group.

EPS F1 Estimate 1-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past week. The change in a company's consensus EPS estimate (or earnings estimate revision) has proven to be strongly correlated with the near-term price movement of its shares. It is an integral part of the Zacks Rank.

If a stock's consensus EPS estimate is $1.10 now versus $1.00 a week ago, that will be reflected as a 10% upward revision. If, on the other hand, it went from $1.00 to 90 cents, that would be a 10% downward revision.

EPS F1 Estimate 4-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past four weeks.

A stock's earnings estimate revision in a 1-week period is important. But it's more meaningful to look at the longer-term revision. And, of course, the 4-week change helps put the 1-week change into proper perspective.

EPS F1 Estimate 12-Week Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal year over the past 12 weeks.

This metric essentially shows how the consensus EPS estimate has changed over a period longer than 1 week or 4 weeks.

EPS Q1 Estimate Monthly Change: The percentage change in the Zacks Consensus EPS estimate for the current fiscal quarter over the past four weeks.

While the revision in consensus EPS estimate for the current fiscal year is strongly correlated with the near-term price movement of its shares, the estimate revision for the current fiscal quarter is an important metric as well, especially over the short term, and particularly as a stock approaches its earnings date. If a stock's Q1 EPS estimate decreases ahead of its earnings release, it's usually a negative sign, whereas an increase is a positive sign.